

Introduced by Senator Harman

April 4, 2011

Senate Joint Resolution No. 4—Relative to the United States - Korea Free Trade Agreement.

LEGISLATIVE COUNSEL'S DIGEST

SJR 4, as introduced, Harman. United States - Korea Free Trade Agreement.

This measure would memorialize the Congress of the United States to approve and enact the United States - Korea Free Trade Agreement.

Fiscal committee: no.

1 WHEREAS, The Republic of Korea is the 15th largest economy
2 in the world; and

3 WHEREAS, The Republic of Korea is the seventh largest trading
4 partner of the United States, the fifth largest market for United
5 States agricultural goods, the second largest market for United
6 States services in Asia, and the 10th largest market for United
7 States information and technology products; and

8 WHEREAS, In 2010, two-way trade between Korea and the
9 United States totaled over \$87.7 billion; and

10 WHEREAS, In 2010, Korea was California's fifth largest export
11 market for goods, with exports totaling over \$8 billion; and

12 WHEREAS, On June 30, 2007, the United States and the
13 Republic of Korea signed the United States - Korea Free Trade
14 Agreement; and

15 WHEREAS, Under the United States - Korea Free Trade
16 Agreement, over 95 percent of bilateral trade in consumer and
17 industrial products would become duty free within three years,

1 and most remaining tariffs would be eliminated within 10 years
2 according to the United States Trade Representative; and

3 WHEREAS, For agricultural products, the United States - Korea
4 Free Trade Agreement would immediately eliminate or phase out
5 tariffs and quotas on a broad range of products, with almost
6 two-thirds, by value, of Korea's agriculture imports from the
7 United States becoming duty free immediately; and

8 WHEREAS, For services, the United States - Korea Free Trade
9 Agreement would provide meaningful market access commitments
10 that extend across virtually all major service sectors, including
11 greater and more secure access for international delivery services
12 and the opening up of the Korean market for foreign legal
13 consulting services; and

14 WHEREAS, In the area of financial services, the United States
15 - Korea Free Trade Agreement would increase access to the Korean
16 market and ensure greater transparency and fair treatment for
17 United States suppliers of financial services; and

18 WHEREAS, In the area of nontariff barriers, the United States
19 - Korea Free Trade Agreement would address a wide range of
20 sectors and advance United States interests and due process on
21 competition policy, labor and environment, and transparency; and

22 WHEREAS, The United States - Korea Free Trade Agreement
23 would provide United States suppliers with greater access to the
24 Korean government procurement market; and

25 WHEREAS, As a result of the aforementioned and other benefits
26 associated with the implementation of the United States - Korea
27 Free Trade Agreement, the United States International Trade
28 Commission (USITC) has concluded that the United States gross
29 domestic product would increase by \$10 billion to \$12 billion
30 annually; and

31 WHEREAS, The USITC estimated that the United States - Korea
32 Free Trade Agreement would increase United States exports to
33 Korea by \$11 billion annually; and

34 WHEREAS, The United States Department of Commerce
35 estimates that the United States - Korea Free Trade Agreement
36 would create 70,000 new jobs and failure to enact the agreement
37 would lead to the loss of over 350,000 jobs due to bilateral trade
38 agreements enacted with Korea by Canada and the European
39 Union; and

1 WHEREAS, China's trade with the Republic of Korea has been
2 expanding rapidly, necessitating a response from the United States
3 to avoid being left behind; and

4 WHEREAS, With the implementation of the United States -
5 Korea Free Trade Agreement, United States exports to Korea are
6 expected to increase significantly in the export of agricultural
7 products, machinery, electronics, transportation equipment, and
8 other sectors; and

9 WHEREAS, Under the United States - Korea Free Trade
10 Agreement, California's exports of nearly \$2 billion in computer
11 and electronic products would become more competitive and
12 affordable with the immediate removal of related tariffs; and

13 WHEREAS, According to the United States Food and
14 Agriculture Department, under the United States - Korea Free
15 Trade Agreement, Korean duties on major California agricultural
16 products, including almonds, pistachios, frozen orange juice, wine,
17 and raisins would be eliminated immediately; and

18 WHEREAS, Under the United States - Korea Free Trade
19 Agreement, California companies would receive strengthened
20 protections in Korea for intellectual property, including software,
21 music, film, videos, and text; and

22 WHEREAS, The United States - Korea Free Trade Agreement
23 would help to solidify the two countries' long-standing geostrategic
24 alliance; now, therefore, be it

25 *Resolved by the Senate and the Assembly of the State of*
26 *California, jointly*, That the Legislature, in recognizing the
27 importance of reducing trade barriers between the United States
28 and the Republic of Korea in order to increase exports, create jobs,
29 stimulate the economy, and improve bilateral relations, respectfully
30 memorializes the Congress of the United States to approve and
31 enact the United States - Korea Free Trade Agreement; and be it
32 further

33 *Resolved*, That the Secretary of the Senate transmit copies of
34 this resolution to the President and Vice President of the United
35 States, to the Speaker of the House of Representatives, to each
36 Senator and Representative from California in the Congress of the
37 United States, and to the author for appropriate distribution.